## Message Text

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**ACTION EUR-25** 

INFO OCT-01 IO-14 ISO-00 CIAE-00 DODE-00 PM-07 H-03 INR-11

L-03 NSAE-00 NSC-07 PA-04 RSC-01 PRS-01 SP-03 SS-20

USIA-15 SWF-02 AID-20 CEA-02 COME-00 EB-11 FRB-03

CIEP-02 STR-08 TRSE-00 LAB-06 SIL-01 SAM-01 OMB-01

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INFO AMEMBASSY BONN

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AMEMBASSY COPENHAGEN

AMEMBASSY DUBLIN

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MAEMBASSY LUXEMBOURG 8275

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AMEMBASSY THE HAGUE

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E.O. 11652: N/A TAGS: ELAB, IT, EEC

SUBJET: ITALIAN TRADE UNION LEADERS AND EC COMMISSIONERS DISCUSS

ITALIAN ECONOMIC SUTAUATION

1. BEGIN SUMMARY: ON JULY 10, REPRESENTATIVES OF THE THREE ITALIAN TRADE UNION CENTERS, CGIL, CISL AND UIL, MET WITH EC COMMISSION VICE PRESIDENTS HAFERKAMP, SPINELLI AND SCARASCAI-MUGNOZZA TO DISCUSS THE CURRENT ECONOMIC SITUATION IN ITALY. THE ITALIAN UNIONS LIMITED OFFICIAL USE

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WERE REPRESENTED BY MARIO DIDO AND ALDO BONACCINI OF CGIL, IDOLO

MARCONE AND MRS. BADUEL GLORIOSO OF CISL AND MARIOLI OF UIL. A COMMISSION SOURCE HAS TOLD US THE MEETING WAS USEFUL FOR BOTH SIDES AND THAT FURTHER MEETINGS WILL BE HELD. END SUMMARY.

- 2. ACCORDING TO A JULY 11 EC PRESS RELEASE, THE COMMISSIONERS MET WITH THE ITALIAN LEADERS FOR A PERIOD OF FOUR HOURS. THE DISCUSSIONS CENTERED ON ECONOMIC POLICY MEASURES RECENTLY ADOPTED BY THE GOI, THE NECESSITY OF ENSURING THE SUCCESS OF THE GOI'S EMERGENCY ECONOMIC PROGRAM AND THE NEED FOR THE ADOPTION OF A MEDIUM-TERM POLICY DESIGNED TO IMPROVE THE ECONOMIC AND SOCIAL STRUCTURES OF ITALY.
- 3. THE PRESS RELEASE ALSO STATED THAT THE PARTICIPANTS AGREED THAT COMMUNITY ASSISTANCE COULD ONLY BE JUSTIFIED IF ITALY ITSELF MAKES IMMEDIATE EFFORTS TO OVERCOME ITS CURRENT ECONOMIC DIFFICULTIRES. AT THE END OF THE DISCUSSION, THERE WAS THTAL AGREEMENT ON THE NECESSITY OF MAINTAINING THE COMMON MARKET SINCE ITALY AS WELL AS THE COMMUNITY HAS AN INTEREST IN A CONSTRUCTIVE ITALIAN PARICIPATION IN THE EC. IT WAS ALSO AGREED TO CONTINUE THE DIALOGUE IN THE FALL.
- 4. THE PRESS RELEASE ADDS THAT THE EC COMMISSION INTENDS PURSUING THE AME SUBJECTS IN THE COURSE OF A FUTURE MEETING WITH ITALIAN EMPLOYER REPRESENTATIVES.
- 5. HAFERKAMP'S DEPUTY CHEF DE CABINET WEGNER GAVE US SOME ADDITIONAL BACKGROUND ON THE MEETING, WHICH HE EXPLAINED GREW OUT OF RECENT DISCUSSIONS BETWEEN HAFERKAMP AND ITALIAN TREASURY MINISTER COLOMBO, WHEN IT WAS AGREED THAT SUCH A MEETING WOULD BE USEFUL. DURING THE MEETING, THE UNION REPRESSENTATIVES SHOWED A HIGH UNDERSTANDING OF THE ITALIAN PROBLEMS BUT STRESSED TIEHR FEARS ABOUT GROWING UNEMPLOYMENT. WEGNER SAID THAT CGIL LEADER DIDO, WHO DID MOST OF THE SPEAKING FOR UNION LEADERS, WAS ESPECIALLY WELL QUALIFIED AND GAVE A GOOD PRESENTATION. THE COMMISSION TRIED TO ALLEVIATE THE FEARS OF UNEMPLOYMENT AND EXPLAINED THE COMMISSION'S THINKING ABOUT POSSIBLE COMMUNITY AID AND INVESTMENT PLANS.
- 6. WEGNER SAID THAT HAFERKAMP COMMENTED AFTER THE MEETING THAT HE WAS WELL SATISFIED. HAFERKAMP HAD STRESSED THE NEED LIMITED OFFICIAL USE

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FOR "VISIBILITY" OF ANY EC MEASURES AND THE UNION LEADERS HAD AGREED TO THIS BECAUSE OF THEIR NEED TO HAVE SOMETHING TO CONVINCE THEIR MEMBERS THAT THE ECONOMIC SITUATION MAY CHANGE IN ITALY.

7. IT WAS AGREED TO CONTINUE THE TALKS, EITHER IN BRUSSELS OR ROME, IN SEPTEMBER OR OCTOBER AT WHICH TIME THE SUCCESS OF THE MEASURES UNDERTAKEN BY THE ITALIAN GOVERNMENT WILL BE ASSESSED.

THE UJIONS AGREED TO AVOID CONFRONTATION WITH THE GOVERNMENT BEFORE THAT DATE BUT EMPHASIZED TO HAFERKAMP THAT "WE DON'T TRUST THE GOVERNMENT." THE LEADERS SAID THEY WOULD TOLERATE THE GOVERNMENT'S EMERGENCY PROGRAM IN THE HOPE OF CHANGES IN THE ECONOMY.

8. WEGNER CONCLUDED BY SAYING THAT THE COMMISSION FEELS IT HAS A USEFUL ROLE TO PLAY AS AN INTERMEDIARY BETWEEN THE ITALIAN GOVERNMENT AND LABOR UNIONS AND THAT HAFERKAP, BECAUSE OF HIS TRADE UNION BACKGROUND, IS PARTICULARLY WELL EQUIPPED FOR THIS ROLE. HAFERKAMP WILL SEE COLOMBO AT THE EC COUNCIL (FINANCE) MEETING ON JULY 15 AND WILL DISCUSS WITH HIM THE MEETING WITH THE UNION LEADERS.GREENWALD

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## Message Attributes

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